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Security Council Committee established pursuant to resolution 1737 (2006)

Letter dated 24 May 2007 from the Permanent Representative of the United States of America to the United Nations addressed to the Chairman of the Committee

The United States Mission has the honour to attach its report pursuant to paragraph 8 of Security Council resolution 1747 (2007) on the steps taken by the Government of the United States to implement paragraphs 2, 4, 5, 6 and 7 of the above-mentioned resolution (see annex).

(*Signed*) Zalmay **Khalilzad**

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Annex to the letter dated 24 May 2007 from the Permanent Representative of the United States of America to the United Nations addressed to the Chairman of the Committee

The United States believes it is essential that Member States fully and effectively implement their obligations under Security Council resolution 1747 (2007). To promote that objective, although not required by Security Council resolution 1747, the United States hereby submits this report on the range of measures it is taking to implement Security Council resolution 1747 and encourages other States to do the same. This includes application of further trade and assistance restrictions, where appropriate, and working with other States to prevent trade prohibited by the resolution.

Following the structure of Security Council resolution 1747, listed below are United States actions to date to implement the resolution:

Paragraph 2: *Calls upon all States also to exercise vigilance and restraint regarding the entry into or transit through their territories of individuals who are engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, and decides in this regard that all States shall notify the Committee established pursuant to paragraph 18 of resolution 1737 (2006) (herein "the Committee") of the entry into or transit through their territories of the persons designated in the Annex to resolution 1737 (2006) or Annex 1 to this resolution, as well as of additional persons designated by the Security Council or the Committee as being engaged in, directly associated with or providing support for Iran's proliferation sensitive nuclear activities or for the development of nuclear weapon delivery systems, including through the involvement in procurement of the prohibited items, goods, equipment, materials and technology specified by and under the measures in paragraphs 3 and 4 of resolution 1737 (2006), except where such travel is for activities directly related to the items in subparagraphs 3 (b) (i) and (ii) of that resolution;*

The United States Department of State's targeted visa review process under the Immigration and Nationality Act focuses on individuals reasonably believed to be seeking entry into the United States to engage in an activity to violate or evade United States export control laws. Under these provisions, any visa requests by relevant individuals designated in accordance with resolutions 1737 or 1747 for travel to or through the United States may be denied. Because such persons may not be permitted to enter into or transit through the United States, we do not anticipate that notifications to the sanctions Committee will be required.

Paragraph 4: *Decides that the measures specified in paragraphs 12, 13, 14 and 15 of resolution 1737 (2006) shall apply also to the persons and entities listed in Annex 1 to this resolution;*

Executive Order 13382 (2005) allows the United States to block or "freeze" the property and interests in property within the United States, or in the possession or control of United States persons, of weapons of mass destruction proliferators and their supporters. Persons that are designated under the Order are denied access to the United States financial and commercial systems, and United States persons, wherever located, are prohibited from engaging in transactions with them. This

national authority allows the United States to implement effectively the provisions set forth in operative paragraph 4 of resolution 1747.

Pursuant to Executive Order 13382, the United States Government has designated 14 Iranian entities for their involvement in Iranian nuclear or missile activities. Six of those designated entities (Kavoshyar Company, Novin Energy Company, Bank Sepah, Bank Sepah International, Sanam Industrial Group, and Ya Mahdi Industries Group) were listed in annex I to Security Council resolution 1747. The United States Government has also designated Ahmad Derakshandeh, Chairman and Managing Director of Bank Sepah, who was also listed in annex I to Security Council resolution 1747. As indicated in our previous report on United States implementation of annex I to Security Council resolution 1737, six other designated entities were designated by the United States Government under Executive Order 13382. Atomic Energy Organization of Iran (AEOI), Shahid Bakeri Industrial Group (SBIG), Shahid Hemmat Industrial Group (SHIG), Mesbah Energy Company, Kalaye Electric Company, and Defense Industries Organization (DIO) were listed in the annex to Security Council resolution 1737. As indicated above, the United States designation of these entities and individuals effectively blocks, or "freezes", their assets within the United States or in the possession or control of United States persons and prohibits United States persons from engaging in transactions with these entities. The United States will continue to take measures to fully implement its obligations under the resolution. Work to designate the remaining individuals and entities listed in the annexes to Security Council resolutions 1737 and 1747 is continuing.

Paragraph 5: *Decides that Iran shall not supply, sell or transfer directly or indirectly from its territory or by its nationals or using its flag vessels or aircraft any arms or related materiel, and that all States shall prohibit the procurement of such items from Iran by their nationals, or using their flag vessels or aircraft, and whether or not originating in the territory of Iran;*

Items of Iranian origin covered in this paragraph may not be imported into the United States or acquired by United States persons either directly or through third countries, without prior authorization of the United States Government (Directorate of Defense Trade Controls of the United States Department of State, Office of Foreign Assets Control of the United States Department of the Treasury, and/or the Bureau of Alcohol, Firearms, Tobacco and Explosives of the United States Department of Justice). The United States ban on Iranian-origin imports is maintained pursuant to Executive Orders issued under the authority of the International Emergencies Economic Powers Act (IEEPA). In addition, under United States sanctions law, including the Iran, North Korea and Syria Non-proliferation Act (INKSNA), "credible information indicating" a transfer of items covered under the multilateral control regimes either to or from Iran, North Korea, or Syria could trigger a report to Congress and a decision to impose United States sanctions.

Paragraph 6: *Calls upon all States to exercise vigilance and restraint in the supply, sale or transfer directly or indirectly from their territories or by their nationals or using their flag vessels or aircraft of any battle tanks, armored combat vehicles, large caliber artillery systems, combat aircraft, attack helicopters, warships, missiles or missile systems as defined for the purpose of the United Nations Register on Conventional Arms to Iran, and in the provision to Iran of any technical assistance or training, financial assistance, investment, brokering or other*

services, and the transfer of financial resources or services, related to the supply, sale, transfer, manufacture or use of such items in order to prevent a destabilizing accumulation of arms;

The United States does not permit the export to Iran of any items that could contribute to Iran's conventional weapons stockpile. United States law prohibits the United States Government from providing directly or indirectly to Iran the items identified in paragraph 6 of Security Council resolution 1747. Moreover, United States law prohibits United States persons from exporting to Iran such items. The United States has a long-standing country sanctions programme against Iran. These commercial and financial sanctions, which are administered by the Treasury's Office of Foreign Assets Control (OFAC), prohibit United States persons from engaging in a wide variety of trade and financial transactions with Iran or the Government of Iran. This includes a prohibition on United States persons from the exportation, re-exportation, sale, or supply, directly or indirectly, of any goods, technology, or services to Iran or the Government of Iran.

Paragraph 7: *Calls upon all States and international financial institutions not to enter into new commitments for grants, financial assistance, and concessional loans, to the Government of the Islamic Republic of Iran, except for humanitarian and developmental purposes;*

The United States has provided no such financing to Iran for nearly three decades; such financing has been prohibited by United States law. We are continuing efforts to reach agreement with other governments on a common position with respect to reducing official financing to the Government of Iran in both bilateral and multilateral channels.